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SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA HQ USAF FOR XOXX DA WASHDC FOR SASA JOINT STAFF WASHDC FOR PA CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR COMSOCEUR VAIHINGEN GE FOR PAO/POLAD COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

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E.O. 12958: N/A TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

The media cited a statement released on Tuesday by PM Ehud Olmert's office that Israel has Israel is "disappointed" with the list of prisoners Palestinians are demanding in exchange for captured IDF soldier Gilad Shalit. The statement said Olmert convened a meeting of senior officials and intelligence commanders Tuesday afternoon to discuss the list, and expressed disappointment and reservations. It also said there has been some progress in negotiations, but the road to completion is still long. The Jerusalem Post quoted GOI officials in Jerusalem as saying that there is no guarantee that the Durmush clan in the southern Gaza Strip, believed to be one of the groups holding kidnapped soldier Gilad Shalit, will free him even if Egypt succeeds in brokering a swap for Palestinian security prisoners. The sources were quoted as saying that there was no certainty that the clan would obey Damascus-based Hamas head Khaled Mashal if he told them to release Shalit. Israel Radio quoted Arab sources in Cairo as saying that jailed Fatah/Tanzim leader Marwan Barghouti is not included in the list of Palestinian prisoners that was allegedly presented to Israel. The media reported that on Tuesday the Almagor Terror Victims Association urged Olmert not to free terrorists for Shalit.

Ha'aretz quoted Palestinian President Mahmoud Abbas's political adviser Nimmer Hamad as saying on Tuesday in an interview with Al Arabiya-TV that Abbas and Olmert will start their twice-monthly meetings next week. Hamad was quoted as saying that during the meeting, Abbas intends to raise the contested issues delaying agreement on a future permanent agreement between Israel and the PA. According to Hamad, the issues include the question of Jerusalem, the borders of the future Palestinian state, the refugees, and other problems affecting the lives of Palestinian citizens, among them humanitarian conditions. The prime objective of the talks, according to Hamad, is to help build trust between the two parties. He added that the meetings were meant to reach a "political horizon". In conclusion, Hamad called on Israel "not to delay contacts toward Shalit's release.' The Jerusalem Post reported that on Tuesday a Shas party spokesman rejected Rabbi David Yosef's claim that his father, Shas mentor Rabbi Ovadia Yosef, supports releasing Palestinian security prisoners "with blood on their hands" in exchange for Shalit. spokesman was quoted as saying that Ovadia Yosef was waiting to receive an intelligence update from party chairman Eli Yishai before issuing a final decision. Earlier Tuesday, David Yosef reiterated that his father supported such a move.

All media continued to report on MK Azmi Bishara's stay abroad: Ha'aretz and other media reported that on Tuesday Bishara (Balad - National Democratic Assembly) left Jordan for a tour of Europe. Ha'aretz quoted sources in his party as saying that he will visit Spain and France and participate in international conferences. He will then travel to a conference in Bahrain, and then possibly to India. Media reported that Bishara met with Jordanian FM Abdelelah al-Khatib. Ha'aretz said that the Balad-associated Web site Arabs48 reported the two discussed regional events. Ha'aretz and other media wrote that on Tuesday Balad continued to claim vehemently that the rumors that Bishara is planning not to return to Israel are unfounded.

Leading media reported that an Israeli civilian was moderately wounded on Tuesday in a shooting attack west of the settlement of Kedumim near Nablus. The wounded man, a resident of the settlement of Emmanuel, was standing at a transport station when he was wounded by a bullet fired from a passing Palestinian vehicle, apparently carrying large amounts of weapons.

Citing press agencies, Ha'aretz, The Jerusalem Post, and Hatzofe quoted a State Department official as saying on Tuesday that USD 59 million in US aid to help the Palestinian security forces has cleared congressional hurdles and is now ready to spend. The official was quoted as saying that the package, reduced from USD 86 million to avoid having some of the money go to radical groups, met with no objections from lawmakers and will soon be distributed to security organizations controlled by Abbas. "We are now approved to spend this money," the official was quoted as saying, speaking on condition of anonymity because a formal statement on the matter had not yet been made. The media reported that the State Department notified Congress of the revised package on March 23, and under rules for such notifications, the program is implemented 15 days later unless lawmakers file objections ahead of the deadline. The money includes USD 43.4 million in non-lethal training and equipment for Abbas's presidential guard and USD 16 million to upgrade Karni Crossing.

Israel Radio reported that Defense Minister Amir Peretz has ordered Yosef Mishlav, the coordinator of GOI Actions in the Territories, to evacuate the house that settlers are occupying in Hebron. The radio said that the IDF will carry out the order in two weeks. This morning Israel Radio reported that Attorney General Menachem Mazuz turned down Peretz's request that the house be evacuated immediately.

Ha'aretz reported that on Tuesday PA police officials denied Shin Bet claims that a Hamas operative who intended to carry out a suicide attack during Passover had managed to infiltrate Tel Aviv from Qalqilya last month in a car laden with about 100 kilograms of explosives. The Jerusalem Post reported that on Tuesday Israeli defense officials called for a revision of security procedures at IDF checkpoints in the West Bank. The Jerusalem Post reported that most checkpoints lack bomb-detection systems.

Leading media reported that on Tuesday the High Court of Justice gave the state five more days to prepare in response to a petition demanding that it publish the censored testimonies of the PM, Defense Minister, and former chief of staff to the Winograd Commission probing the Second Lebanon War before the commission releases its interim report later this month.

Maariv cited the London-based daily Ash-Sharq Al-Awsat as quoting a senior official in Paris as saying that France has warned Iran about a possible attack against its nuclear installations by the end of the year if it continues its nuclear program.

Ha'aretz said that agricultural connections are being forged in secret between Israel and a number of Southeast Asian Muslim

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countries. The recent contacts are with nations that do not have diplomatic relations with Israel, and have also previously avoided economic relations. Ha'aretz reported that Indonesia, the largest of these countries, recently approved the travel of a large delegation of businessmen and agricultural experts to the privately run Agro-Mashov agricultural exhibition to be held in Tel Aviv on April 18-19.

The Jerusalem Post reported that, following years of deliberations and as one of the many lessons drawn from the Second Lebanon War, the IDF has decided to establish a new command that will unite and be responsible for utilization and operations of all Israeli special forces.

Major media reported that on Tuesday the police interrogated PM Olmert for four hours about the Tax Authority bribing scandal.

The Jerusalem Post reported that the full-feature documentary, "Withdrawal From Gaza," which offers a sympathetic portrait of the Gush Katif settlers, premiered in Los Angeles on March 23 "to skeptical local reviews."

All media quoted Internal Security Minister Avi Dichter as saying on Tuesday that Central District head Cmdr. David (Dudi) Cohen is his candidate to be the Israeli Police's next inspector-general.

Yediot cited the results of a poll conducted in Switzerland by the local statistics institute GFS: 54 percent of the Swiss public believes that religious fanatics rule Israel; 50 percent of the Swiss believe that Israel runs a "war of extermination" against the Palestinians in the territories.

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Summary:

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Palestinian affairs correspondent and far-left Palestinian sympathizer Amira Hass opined in the independent, left-leaning Ha'aretz: "Even though this is defined as a war, the prevailing axiom is that the Palestinians are always 'terrorists,' even when they act against soldiers and not civilians."

Zalman Shoval, senior Likud member and former ambassador to the US, wrote in Yediot Aharonot: "For the first time in years, the United States and Israel are not broadcasting on the same wavelength on very major issues.... The American lifeline could become a millstone for Israel."

Washington correspondent Shmuel Rosner wrote in Ha'aretz: "Pelosi is not setting independent foreign policy, but domestic policy -- feet in Damascus, head in New Hampshire. It was not Israel's interest

nor Syria's that guided her, but the good of the Democratic party."

The conservative, independent Jerusalem Post editorialized: "It's hard to imagine any democracy which would abide similar outright disloyalty, least of all a country at war and facing such unparalleled existential threats as Israel."

Block Quotes:

¶I. "Things Are Different in America"

Palestinian affairs researcher Moshe Elad, a former senior IDF official in the West Bank and former head of Israel-PA coordination, wrote in the mass-circulation, pluralist Yediot Aharonot (4/11): "One can only envy the way the US handles terrorists and their family members. America has proven over the years that it advocates an uncompromising war against every terrorist, until he is brought to trial. An entire system of investigators and jurists zealously devotes itself to tireless pursuit until the criminal is brought to justice, the money and assets of the individual and the organization that sent him are impounded, and huge compensation suits are filed on behalf of the victims' families. The US citizen knows that he will never be abandoned, and that he will never be a pawn of 'confidence building measures'.... In the US, [a major terrorist] will not be released before he finishes serving the sentence for his heinous crimes."

II. "Prisoners or Criminals?"

Palestinian affairs correspondent and far-left Palestinian sympathizer Amira Hass opined in the independent, left-leaning Ha'aretz (4/11): "The failing political and security mechanisms are the ones that for years have formulated the axioms in Israel concerning the Palestinian prisoners. The first axiom is that every Palestinian security prisoner is a criminal.... Since the signing of the Oslo agreement, most Israelis have been denying the fact that we are the citizens of an occupying state. They define the current Intifada as a war that has been declared against us by the fictive Palestinian state. And even though this is defined as a war, the prevailing axiom is that the Palestinians are always 'terrorists,' even when they act against soldiers and not civilians. companion axiom to this is that only on our side are there 'soldiers,' even when they are sent to act against an occupied civilian population. The common denominator of these axioms is the distinction between blood and blood and person and person. The Jew is always worth more, much, much more, when he is a victim, when he is a soldier, when he is a POW. This distinction plays a significant role in Palestinian support for the tactic of abduction."

III. "Bush's Lifeline is Israel's Millstone"

Zalman Shoval, senior Likud member and former ambassador to the US, wrote in Yediot Aharonot (4/11): "For the first time in years, the United States and Israel are not broadcasting on the same wavelength on very major issues. The American policy, in the last lap of the Bush administration, has two main and parallel goals: To mobilize the support of the 'moderate' Arab states, headed by Saudi Arabia, on behalf of calm in Iraq (the aggressive speech of the Saudi King against the US may destroy this illusion), and prevent a Shi'ite and Iranian takeover of the Middle East and its oil. These two

objectives are not connected to the Israeli-Palestinian conflict, but the battered administration has been forced to change its policy and make gestures towards those, including the European Union, who argue that linkage should be created -- even artificially -- between the two issues, in order to appease Saudi Arabia and the Arab world In other words, any progress, even ostensible in general. progress, on the Israeli-Palestinian issue could provide the Americans with a lifeline on other topics. The trouble is that the American lifeline could become a millstone for Israel. Israel, no less than the United States and perhaps more, is interested in the same goals: Peace with the Arab world and blocking the increase in Iran's strength -- but not at the excessive price demanded, for example, by the participants of the Arab summit in Riyadh. Despite this, Olmert has already been compelled to agree to meetings with Abu Mazen, despite the fact that the latter continues to break all his commitments, and despite the fact that since the forming of the 'unity government' he has effectively become a servant of Hamas. And these pressures will mount, if the trend of pushing Israel to accept the 'Saudi initiative' continues.... How did we reach this unfortunate situation? Israel's political and diplomatic activity in the past year was fraught with failures and errors. Whether these stemmed from inexperience or from neglect, Israel's diplomatic situation is now more complicated than ever, and at a period that is critical for its future.

IV. "In Pelosi's Playground"

Washington correspondent Shmuel Rosner wrote in Ha'aretz (4/11): "Pelosi is not setting independent foreign policy, but domestic policy -- feet in Damascus, head in New Hampshire. It was not Israel's interest nor Syria's that guided her, but the good of the Democratic party. This is not the first time that a senior legislator has decided to sting the administration with a high-ranking visit to a hostile capital. This is also not the first time Israel has been used to rack up points in a domestic American struggle. However, in the race for 2008, the risk to Israel is increasing. The Middle East is at the center of the American agenda. Every detail in US policy regarding Iraq, Iran, Syria, Lebanon, Saudi Arabia, Egypt, Hamas, radical Islam, and terror affects Israel directly. Every detail affecting that policy is at the center of a profound debate, at least on the rhetorical level. This development will mandate Israel's extreme caution in talks with the administration and Congress. Standing Israeli policy -- trying to remain in the American political middle ground -- will be more complicated than ever this year.... Therefore, even if Olmert is correct in his understanding of Israel's political interest, it is unlikely his actions reflect careful consideration of American political sensitivity. He would have done better to hold his tongue. From now until November 2008, it's not a good idea to get on the seesaw in Pelosi's playground.

¶V. "Azmi Bishara's Primary Victims"

The conservative, independent Jerusalem Post editorialized (4/11): "Arab-Israeli Knesset Member Azmi Bishara of Balad -- a nonstop source of provocative antics and brazen agitation -- has seemingly pulled off his most riveting exploit to date by keeping this country's entire body-politic and general public on tenterhooks, awaiting any hint of his future plans. Will he return from his current stay in Jordan, or will he abscond? The mystery is further deepened by leaked reports -- despite a thick veil of official secrecy -- of possibly severe charges in the offing against him for 'endangering Israel's security'.... Bishara had traveled to enemy states like Syria and Lebanon on a number of occasions, and ... proceeded to unabashedly identify with Israel's worst enemies, whom he egged on to confront Israel. Last September, in Damascus, he 'warned' Syria's regime that 'Israel might launch a preliminary offensive, in an attempt 'to overcome internal crisis and restore deterrence'.... Bishara never equivocated about his loyalties, which invariably lay with Israel's foes. After the IDF's retreat from Lebanon in 2000, he crowed at an Umm el-Fahm rally [in Israel]: 'Hizbullah won and for the first time since 1967 we taste victory. Hizbullah is justly proud of its achievement in humiliating Israel.' He later repeated the same sentiments in Damascus....Despite [Israel's] tolerance, Bishara hectored in Beirut: 'We don't want

your [Israel's] democracy. Give us Palestine.' It's hard to imagine any democracy which would abide similar outright disloyalty, least of all a country at war and facing such unparalleled existential threats as Israel.... Bishara is a potent symbol of a radicalizing politician, who deliberately fans the flames, whips up discord and jeopardizes Israel's fragile intercommunal equilibrium. His radicalized electorate is in turn likely to vote for ever-more extreme representatives, thereby triggering a truly vicious cycle. The sooner this cycle is broken, the better Israeli Arabs would fare. The sooner they recognize that cynical politicians unconscionably make political capital at their expense, while doing nothing to improve their lot, the faster Israeli Arabs will disprove growing perceptions of them as strategic risks from within."

JONES